Welcome!

Fiscal Year 2015
GAAP Reporting Package Training

Introduction

- Name
- Department, Division
- Any experience with GAAP reporting?
- What do you expect to learn from today's training?

Training Objective

Provide participants with skills and knowledge to complete their GAAP reporting packages accurately and timely.

Resources:

GAAP Manual

http://accounting.delaware.gov/manuals.shtml

UPK course

http://extranet.fsf.state.de.us/mod_gaap_gmen.shtml



Divison of Accounting Financial Accounting and Reporting Team

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What is GAAP?

Generally Accepted Accounting Principles

- Hierarchy of GAAP governs what constitutes GAAP for all state and local government entities. It lists the order of priority of pronouncements that a governmental entity should look to for accounting and financial reporting guidelines.
 - A. Officially established accounting principles Government Accounting Standards Board (GASB) for state and local governments. Statements and Interpretations are periodically incorporated in the Codification of Government Accounting and Financial Reporting Standards.
 - B. GASB Technical Bulletins if specifically made applicable to state and local government entities by the AICPA and cleared by GASB, AICPA Industry Audit and Accounting Guides, and AICPA Statements of Position.
 - C. AICPA Practice Bulletins if specifically made applicable to state and local governmental entities and cleared by GASB and the consensus positions of a group of accountants organized by GASB on accounting issues applicable to the state and local governments.
 - D. Implementation Guides (Q&As) published by GASB staff as well as practices that are widely recognized and prevalent in state and local government

GAAP Hierarchy (continued)

- Other accounting literature:
 - GASB Concept Statements
 - Financial Accounting Standards Board (FASB);
 Statements, Interpretations, and Concepts
 Statements;
 - Federal Accounting Standards Advisory Board (FASAB) Statements, Interpretations, Technical Bulletins, and Concept Statements.

GASB Updates

- Issued GASBS with a significant impact for State reporting
- GASB 68, Accounting & Financial Reporting for Pensions (effective FY2015) – establishes standards for measuring & recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures
- GASB 72, Fair Value Measurement & Applications (effective FY2016) – provides guidance for determining a fair value measurement for fair value reporting and disclosures related to fair value measurements

GASB Updates(Continued)

- Exposure Drafts to be issued in the near future:
 - Accounting & Reporting for Postemployment Benefits Other Than Pensions (OPEB) establish standards for measuring & recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures
 - Tax Abatement Disclosures establish requirements for disclosing information about tax abatements in the notes to the financial statements

GASB Updates(Continued)

- Preliminary Views:
 - Leases require recognition of an intangible lease asset and liability for all leases other than short term leases
 - Financial Reporting pertains to the reporting of fiduciary funds and will require additional reporting for current agency funds

Overview - Basis of Accounting

- The State prepares its CAFR using three common basis of accounting:
- Cash or Budgetary Basis
- Modified Accrual
- Accrual

Overview Basis of Accounting (Continued)

- Cash (Budgetary Basis)
 - ✓ Revenues are recognized when cash is received.
 - ✓ Expenditures are recognized when cash is paid.

Overview - Basis of Accounting (Continued) Modified Accrual

- Revenues and other financial resources are recognized when they become *measurable* and *available* to finance expenditures of the current period
- Expenditures are recognized when the fund liability is incurred and is measurable



Overview - Basis of Accounting (Continued) Full Accrual

- Revenues are recognized when they are earned, regardless of when cash is received
- Expenditures are recognized when they are owed, regardless of when paid



Budgetary Basis vs. GAAP

Budgetary

Demonstrates compliance with the budget by using the cash basis of accounting

GAAP

- Modified Accrual current financial resources focus
- Accrual –economic resourcesmeasurement focus



Basic Financial Statements for State and Local Governments

- Government-wide statements consolidated financial statements for government's operations on a full accrual basis of accounting.
- Fund statements presented on a modified accrual basis of accounting.

What is a Fund and why we use them?

> Fiscal and accounting entity with a selfbalancing set of accounts recording assets, liabilities, fund balances and changes within (revenues and expenditures)

Segregated for the purpose of specific activities, special regulations or restrictions



Overview - Basis of Accounting (continued) Fund Financial Statements

- Governmental Funds
- ✓ Balance Sheet
- Statement of Revenues,
 Expenditures and Changes
 in Fund Balance
- Reconciliation to Government - wide Statements

- Proprietary Funds
- Statement of Net Assets
- Statement of Revenue,
 Expenses and Changes in Fund
 Net Assets
- Statement of Cash Flows
- Fiduciary Funds
- Statement of Fiduciary Net Assets
- Statement of Changes in Fiduciary Net Assets

Modified Accrual

Full Accrual

Overview - The CAFR

- Comprehensive Annual Financial Report (CAFR) –
 is a governmental entity annual report that
 contains 3 sections as noted on the next slide.
- A CAFR is "compiled" by a state, municipal or other governmental accounting staff and audited by an independent accounting firm. However, the entire CAFR is not audited.

Overview - The CAFR (Continued)

Three (3) Major Sections

- Introductory
 - > Transmittal Letter, GFOA Award Certificate, Organizational Structure
- Financial Section
 - > Independent Auditor's Report
 - Management Discussion and Analysis (MD&A)
 - Government-wide Statements
 - Government Funds Statements
 - Proprietary Funds Statements
 - Fiduciary Funds Statements
 - > Notes to Financial Statements
 - Required Supplementary Information (RSI)
- Statistical Section
 - Provides ten-year comparisons of certain financial and statistical data.

Importance of Timeliness in Financial Reporting

- The Government Finance Officers Association expects to receive the Comprehensive Annual Financial Report within 6 months after June 30 for the Certificate of Achievement for Excellence in Financial Reporting Program.
- It is important for bond underwriters (issuance of new bonds), legislators, citizens, etc.
- Statements are posted on EMMA (Electronic Municipal Market Access) website, for use by the public and bond rating agencies.

Three bond rating agencies:

- ✓ Standard and Poor's Rating Services
- ✓ Moody Investor Service
- ✓ Fitch Ratings

Audit of the State's CAFR

The external auditors for the State perform their work based on a review of data and procedures within DOA -CliftonLarsonAllen, IIP

Work papers
 prepared by the
 State organizations
 may be reviewed by
 the external
 auditors.



Overview - The GAAP Package

- GAAP requires that the State's financial statements reflect all accounts and activity under the State's control at fiscal year-end.
- The GAAP reporting packages only record assets and liabilities, receipts and disbursements from outside of FSF.

GAAP Reporting Packages

- Cash and Cash Equivalents
- Investments
- Accounts Receivable
- Accounts Payable
- Supplies and Materials Inventory
- Lease Commitments
- Compensated Absences
- Construction Work In Progress (CWIP)
- Computer Software in Process (CSIP)

GAAP Reporting Packages

Data Entry and Submission Deadlines

- July 13, 2015
 - GMEN Opens for data entry
- July 20, 2015 (Section H Projects)
 - ✓ Form H–3A Construction in Progress
 - √ Form H–3B Computer Software in Process
- August 7, 2015
 - ✓ Form G-3,4 & 5 Compensated Absences (Excel Worksheets) or other comparable forms and all supporting documentation.
- August 14, 2015
 - ✓ GMEN Closed for data entry
 - ✓ GAAP Checklist
 - ✓ Organization Letter of Representation

Note: Submission of excel forms and supporting documentation is no longer required (except Compensated Absences) unless requested by DoA or the independent auditors.

Overview The GAAP Process (continued)

Organization Responsibility

- To provide information that is accurate, complete, and timely.
- Maintain all your work papers for review by:
 - DOA
 - External audit review

Overview The GAAP Process (continued)

DOA Responsibility

- Provide technical assistance and training for completion of GAAP reporting information
- Review, Analyze and Compile data for reporting purposes

The Anatomy of the GAAP Reporting Package Manual



General Instructions

- Format
- Purpose and objective
- Accounting principles and policies
- ✓ Instructions

General

- ✓ Read the instructions for each section.
- ✓ Report only financial data that is outside of FSF for the current fiscal year as of June 30.
- ✓ Prior year information should be carried over from your previous fiscal year GAAP/GMEN reporting package.

- Complete the sections that apply to your organization; however, ALL forms must be completed. If the form is not applicable, mark as N/A.
- Use the excel forms provided on DoA's website as supporting documentation prior to data entry into GMEN.
- All applicable forms are required to be data entered in GMEN.
 - The summary forms for each section will be generated from the data entered on the detail pages.
- An explanation is required in the comments section of the forms if it exceeds the established thresholds.

- Form A-12A reports the total revenue collected and expenditures made through accounts held outside of FSF for GAAP funds 100 through 845.
- Form A-12B summarizes account activity for Agency funds 855 through 890.
- Summary of Financial Data forms summarize all of the information from the section summaries by fund.
 - The forms do not require data entry into GMEN; however, they still need to be reviewed to compare the totals and verified for accuracy of all data entered.
- Review the Fund Definitions section for proper classifications of funds. (Reference: page 6-10 of GAAP Reporting Package Manual found in http://accounting.delaware.gov/manuals.shtml)

- Ensure that the identification block is completed on each form.
 - Should contain the name of the person preparing the form, not the name of the person doing the data entry.
- Have someone proof your work. The reviewer should verify that the information has been prepared properly.
- Working papers should be neat, legible, complete, accurate, and logically organized.
- Your working papers should clearly support the conclusion(s) you reached and the amounts you entered in GMEN.

General Survey Questionnaire

- Purpose is to assist each organization identify which of the sections must be completed.
- This should reduce the time needed to complete the GAAP reporting process.
- Form is not required to be submitted to DOA. Maintain for your files.



Section A



Cash and Investments



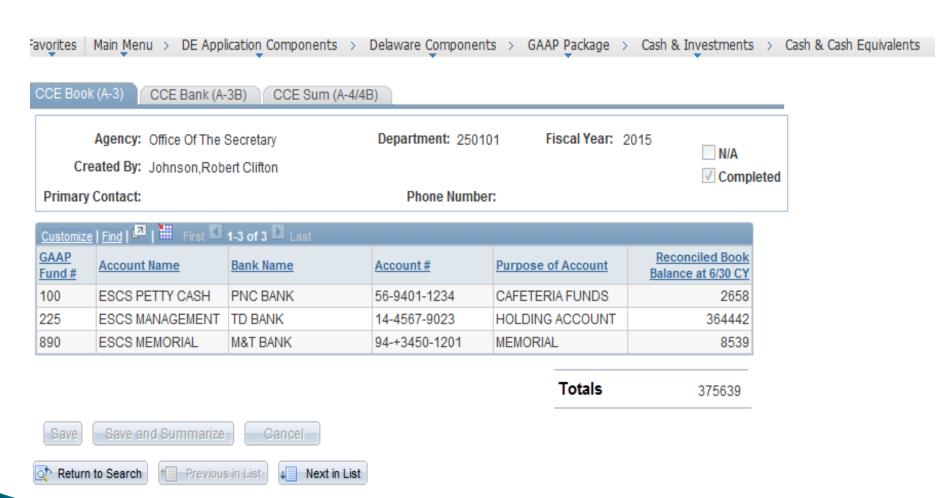
Cash and Cash Equivalents

- Report all cash held outside of FSF
 - Monies on hand (Petty Cash)
 - Funds on deposit with financial institutions (i.e. checking and saving accounts)
 - Money market should be reported as cash, not an investment
 - CD with a maturity date of:
 - < 90 days = cash</p>
 - > 90 days = investment

Completing Form A-3 Cash and Cash Equivalent Data (Continued)

- Review all bank accounts held outside of FSF to determine the appropriate fund category.
- Obtain the bank statements and prepare bank reconciliations as of June 30 for all accounts.
- Record the fund, name of the account, name of the bank, purpose of each account and the reconciled book balance for each account as of June 30 on Form A-3.

Forms A-3 Cash - Book Balances

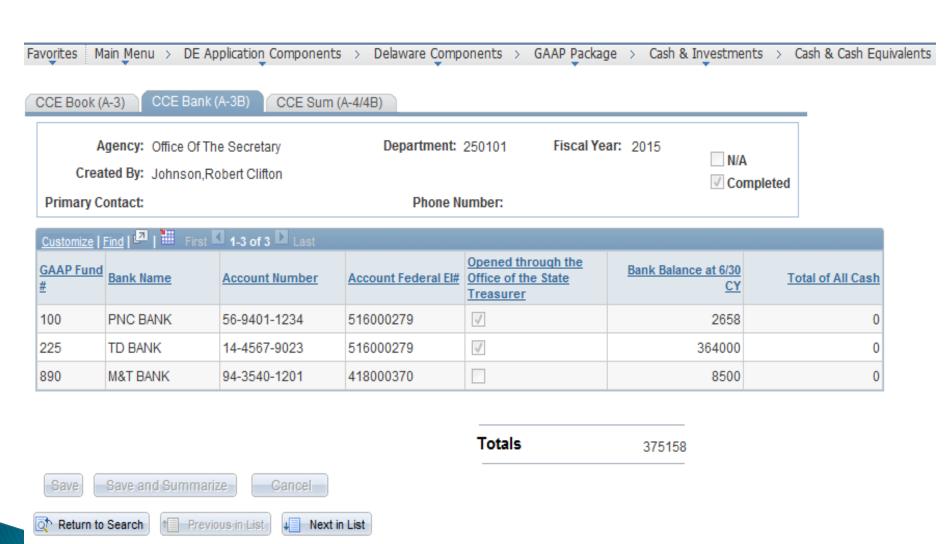


CCE Book (A-3) | CCE Bank (A-3B) | CCE Sum (A-4/4B)

Completing Forms A-3B Entering Cash and Cash Equivalents

On Form A−3B, record the fund, the name of the bank, account number and the Federal Employer Identification Number (EI#) used to open the accounts and indicate whether the accounts were opened through the State Treasurer's Office and the reported bank balance.

Form A-3B Cash - Bank Balances



CCE Book (A-3) | CCE Bank (A-3B) | CCE Sum (A-4/4B)

Cash and Cash Equivalents (Continued)

- ▶ Forms A-4/A-4B
 - Summarizes the information from Forms A-3 and A-3B by fund.
- The prior year Reconciled Book Balance and Bank Balance from your files (verify the amounts in GMEN)
- If the cash and cash equivalents between the prior year and current year differs by 10% and \$50,000, briefly explain the reason for the variance in the comments section.

Summary Forms A-4/4B

Favorites Main Menu > DE Application Components > Delaware Components > GAAP Package > Cash & Investments > Cash & Cash &

CCE Book (A-3) CCE Bank (A-3B) CCE Sum (A-4/4B)

Agency: Office Of The Secretary Department: 250101 Fiscal Year: 2015

Created By: Johnson,Robert Clifton

Primary Contact: Phone Number:

BOOK Find Image: First Imag								
GAAP Fund	Reconciled Book Balance at 6/30 CY	Reconciled Book Balance at 6/30 PY	Reconciled Book Balance Difference	Reconciled Book Balance Difference - %	Interest Income Receivable Difference	Interest Income Receivable Difference - %		
100	2658	54076	-51418	-95	0	999999999999999999		
225	364442	0	364442	999999999999999999	0	999999999999999999		
890	8539	0	8539	999999999999999999	0	999999999999999999		

Totals 375639 54076

Explanation - Book

PER PRCTICE DATA

BANK Find Image: First I 1-3 of 3 D Last							
GAAP Fund	Bank Balance at 6/30 CY	Bank Balance at 6/30 PY	Difference \$	Difference %			
100	2658	54076	-51418	-95			
225	364000	0	364000	999999999999999999			
890	8500	0	8500	999999999999999999			

Totals 375158 54076

Explanation - Bank

PER PRACTICE DATA

Complete

Return to Search

↑ Previous in List

↓ Next in List

CCE Book (A-3) | CCE Bank (A-3B) | CCE Sum (A-4/4B)

Investments Form A-5

- Record the following per investment
 - Fund
 - Account Name
 - Bank Name
 - Account Number
 - Federal Employer Identification Number
 - Purpose of Account
 - Investment type
 - Market Value
 - Reconciled Carrying Value

Investments Form A-5

- Types of Investments:
 - Certificates of Deposits (greater than 90 days maturity date)
 - Commercial Paper
 - Corporate Obligations
 - U.S. Governmental Obligations
 - Municipal Obligations
 - Money Market
 - Other Pooled Investments
 - Other Obligations

Investments – Form A-5

Favorites | Main Menu | > DE Application Components | > Delaware Components | > GAAP Package | > Cash & Investments | > Investments

Investments (A-5)	Inv Sum (A-6)			
	Accounting Johnson,Robert Clifton	Department: 250501	Fiscal Year: 2015	☐ Not Applicable ☑ Completed
Primary Contact:		Phone Number:		

Customize Find □ III First 1 of 1 D Last								
Fund Cod	Account Name	Bank Name	Account Number	Exporter's EIN Number	Purpose of Account	Investment Type	Market Value at 6/30 CY	Reconciled Carrying Value at 6/30 CY
1 890	Test	TEST	123456789	516000279	TEST	Commercial Paper	50000	50000

Totals 50000 50000

Save and Summarize Cancel

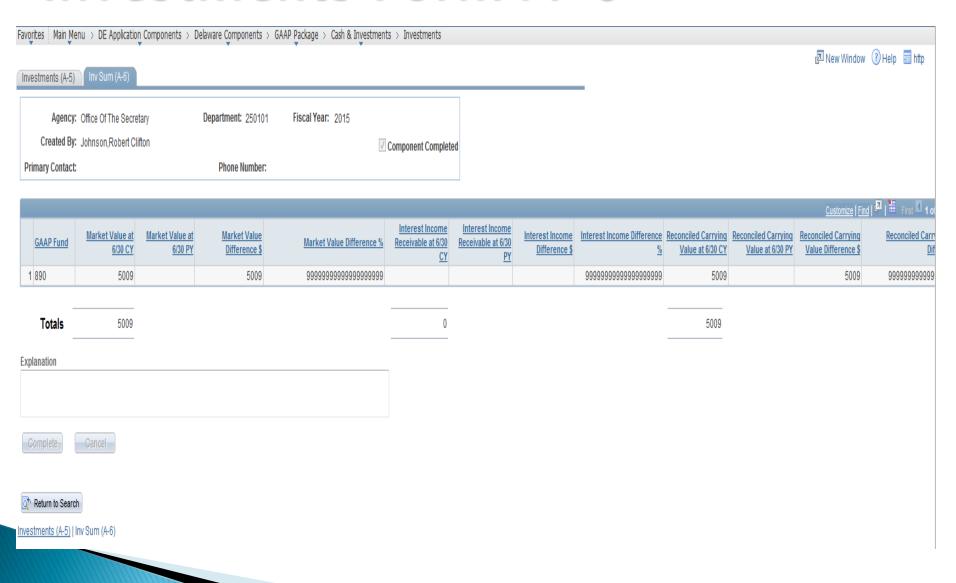
Investments (A-5) | Inv Sum (A-6)

Investments (Continued)

• Form A-6:

- Summarizes the information from Forms A-5 by fund.
- The prior year Market Value and Reconciled Carrying Value from your files (verify the amounts in GMEN).
- If the investments between the prior year and current year differs by 10% and \$50,000, briefly explain the reason for the variance in the comments section.

Investments Form A-6



Section B

Accounts Receivable





Accounts Receivable

What are accounts receivable?

• Amounts (billed or unbilled) due for goods or services provided on or before June 30, but funds not received until after June 30.

An Organization is to report accounts receivable, if the gross accounts receivable (in aggregate) equals or exceeds \$100,000 or more at June 30 for all receivables outside of FSF other than receivables with other State Organizations.

- Neview cash receipts (CR) and intergovernmental voucher (IV) documents for the month of July/August of the next fiscal year to determine if any pertain to goods or services provided prior to June 30 of the current fiscal year and should be accounts receivable at June 30, 2015.
- Provided prior to June 30 and should be accounts receivable at June 30, 2015.
- ▶ Form B-3A/4C is used to report accounts receivable.

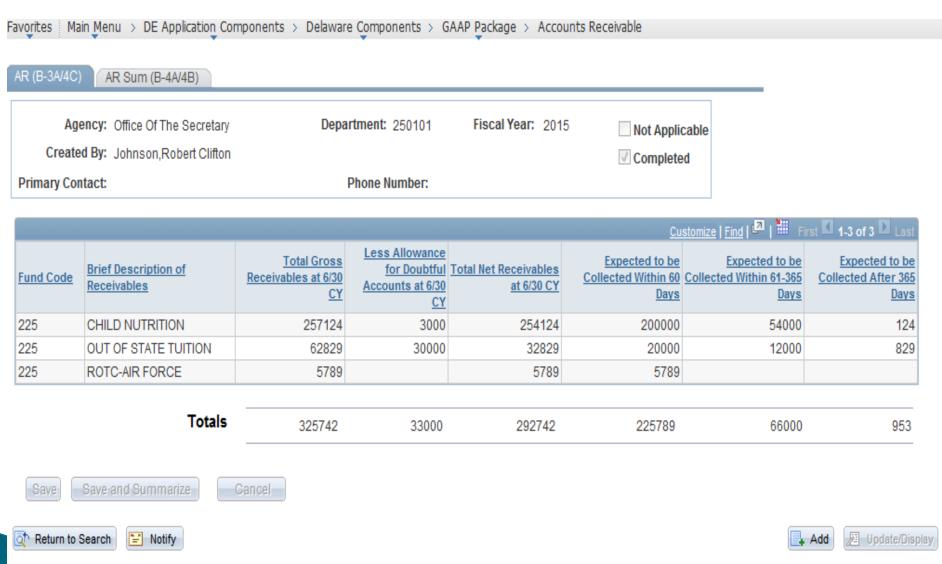
- Calculate the allowance for doubtful accounts:
- Gather historical data on revenue collectability and use this data to estimate current year collectability.
- Evaluate the reasonableness of the projection as it relates to current year collections to determine if applicable.
- Evaluate the collectability of individual receivables.
- Estimate the amount that is considered to be uncollectible based on the above procedures which is your Allowance for Doubtful Accounts.

DOA may request policies and procedures for determination of allowance and write-off of accounts.

- Within 60 days amount of net receivables for which you expect to receive payment within 60 days after June 30 (by August 31), amounts considered available for modified accrual reporting purposes.
- 61-365 Days amount determined as net receivables for which you expect to receive payment after 60 days but prior to the end of the next fiscal year are considered not available for modified accrual reporting purposes.
- After 365 days amount determine as net receivables for which you expect to receive payment beyond one year are considered not available for modified accrual reporting purposes.

The total of the above 3 categories must equal the total net receivables (gross receivables minus the allowance for doubtful accounts).

Accounts Receivable Form B-3A/4C

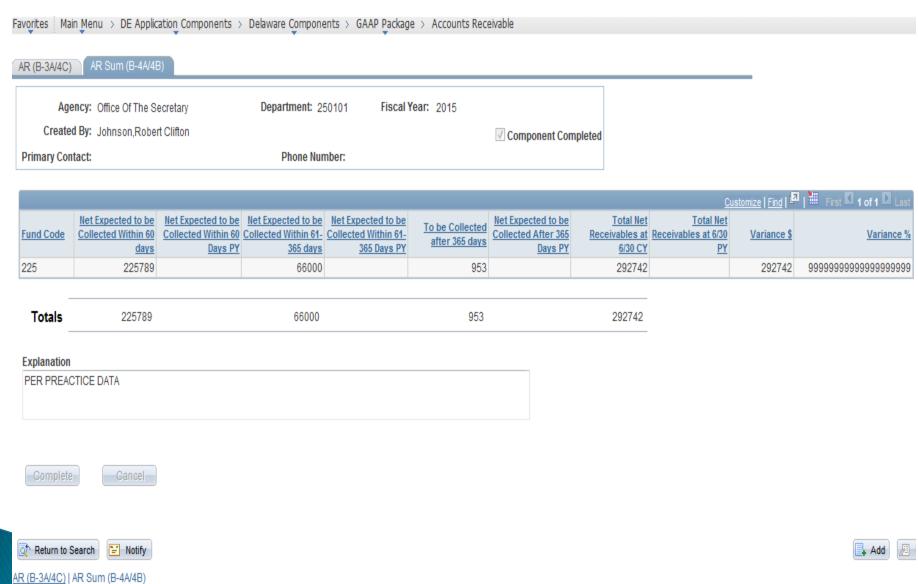


AR (B-3A/4C) | AR Sum (B-4A/4B)

- Prior year amounts are also reported on Forms B-4A/4B.
 - These forms are automatically generated in GMEN; however, they should still be marked completed.

- Verify your organization's prior year GAAP reporting information for accuracy.
 - If the receivables between the prior year and current year differs by 10% and \$100,000 briefly explain the reason for the variance in the comments section.

Accounts Receivable Form B-4A/4B



Section C

Accounts Payable





Accounts Payable

- What are accounts payable?
 - The only payables that should be reported are those that will not be processed through FSF or if payment for the goods or services is not expected to be made within 60 days of yearend (by August 31).

Includes:

- All applicable PO and PV documents for vendor payables for goods or services received prior to June 30.
- All contracts or documents that include retainage which has not been paid at June 30.
- Amount owed to employees for other salaries – overtime or termination pay only earned on or before June 30 and not scheduled to be paid in the Jul 10 and 24, 2015 paychecks.

School Districts and Colleges -

Do not report the July and August salary liabilities for your 10 month/26 pay employees if the amounts are processed through FSF.

Any salary payables covered by pass-through grants for these employees must be reported to the Department of Education.

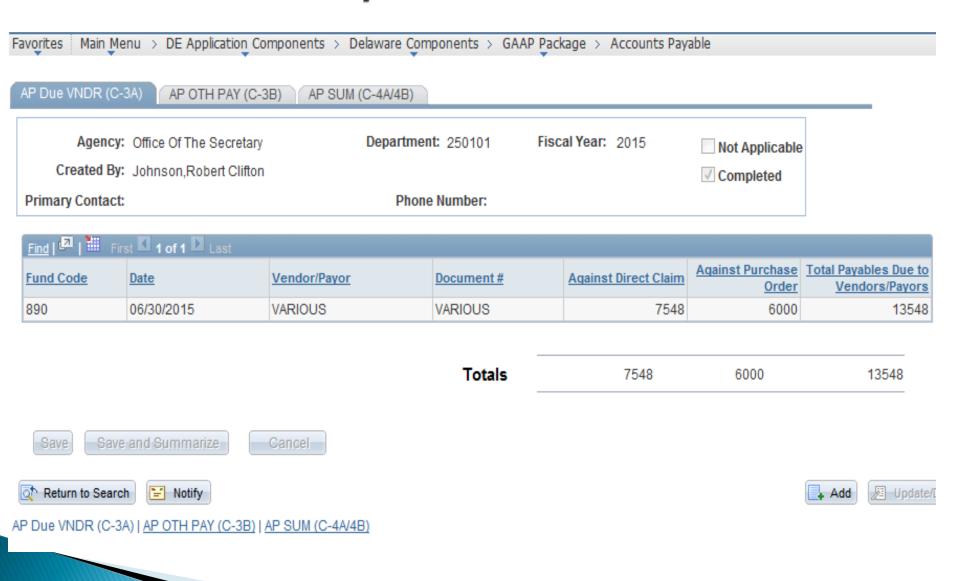
Accounts Payable (Continued)

- Report amounts due:
 - To vendors/payee on Form C-3A
 - For other salaries payables on Form C-3B
 - Data must be entered into each form in GMEN
- Form C-4A/4B:
 - Summarizes the information from Forms C-3A and C-3B by fund

- After completion of the data on forms C-3A & C-3B, review, save and ensure the totals are correct.
- Prior year amounts are reported on Form C-4A/ C-4B.
 - This form is automatically generated in GMEN; however, it should be marked completed

If the prior year amount differs from the current year by 10% and \$100,000, briefly explain the reason for the variance in the comments section.

Accounts Payable Form C-3A



Accounts Payable Form C-3B

Phone Number:

Favorites Main Menu > DE Application Components > Delaware Components > GAAP Package > Accounts Payable

AP Due VNDR (C-3A) AP OTH PAY (C-3B) AP SUM (C-4A/4B)

Agency: Office Of The Secretary Department: 250101 Fiscal Year: 2015 Not Applicable Created By: Johnson,Robert Clifton

Find First I 1-5 of 5 D Last								
Fund Code	Date	Employee Name or Department	Overtime Earned	Termination Pay Earned	<u>Other</u>	Total Other Payables for Salaries		
100	06/30/2015	CHRISTINE COSGROVE	42170			42170		
100	06/30/2015	ROBERT JOHNSON	3867			3867		
225	06/30/2015	CHRISTINE COSGROVE			350510	350510		
225	06/30/2015	JENNIFER THORNTON			700	700		
225	06/30/2015	ROBERT JOHNSON		5982		5982		

Totals 46037 5982 351210 403229

Save Save and Summarize Cancel

Return to Search 📔 Notify

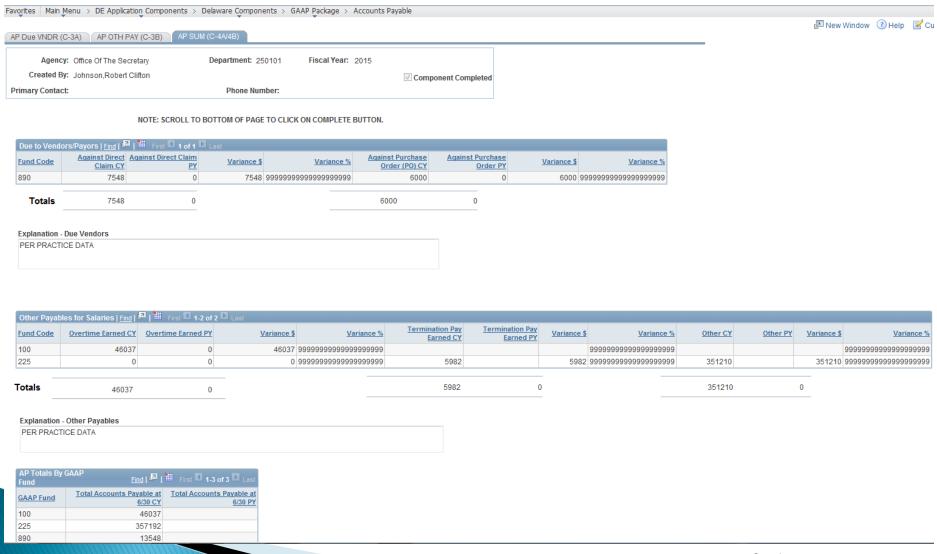
Primary Contact:

Add



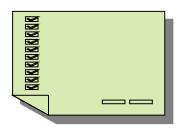
AP Due VNDR (C-3A) | AP OTH PAY (C-3B) | AP SUM (C-4A/4B)

Accounts Payable Summary Form C-A/4B



Section D

Supplies & Materials Inventory



Supplies & Materials Inventory

- Supplies and materials are consumable items used in departmental operations. Examples include; office supplies, medical supplies, repair materials, ammunition, uniforms, etc.
- Each organization should use systematic procedures for taking count of inventory on hand at the end of the fiscal year to ensure that it counts all applicable items and these items are identified during the count in a manner that prevents duplicate counting of items.
- Document the date of the physical inventory on Form D-3.

Supplies & Materials Inventory (Continued)

- The value of the inventories counted at the end of the fiscal year should be computed using the First-In, First-Out (FIFO).
- First-In, First-Out (FIFO) is the method of inventory in which items are deemed to be used in the order in which they are purchased. Therefore, items on hand represent the most recent purchases.
- Inventory is ordinarily maintained in a central storage area (location) where it can be physically safeguarded, and where it can be counted efficiently. A physical inventory count must be performed on or as close to June 30 as possible, if an Organization estimates that its **new or used** supplies and materials have a value of \$100,000 or more per central location.

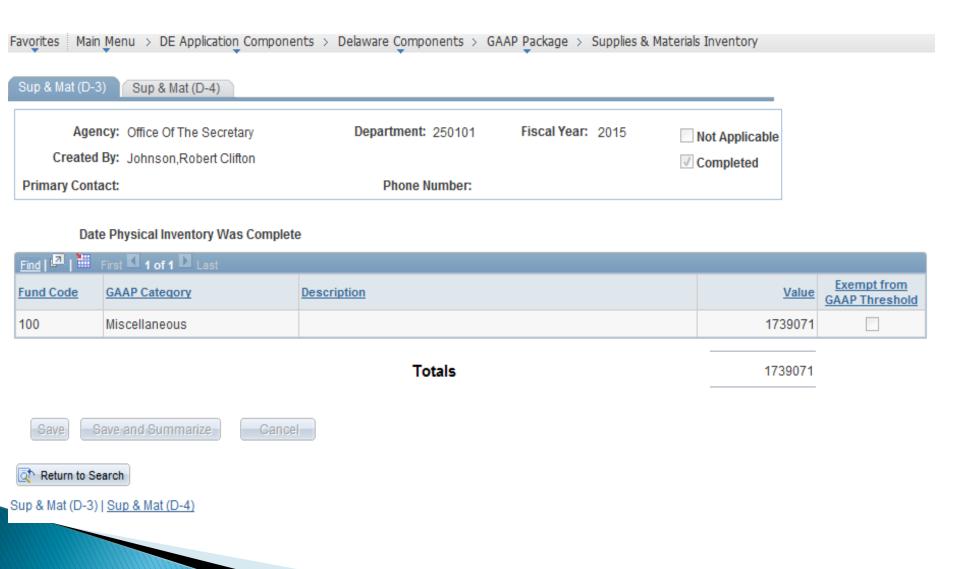
Supplies & Materials Inventory (Continued)

- Significant amounts of inventory are new and unused supplies with a value of \$500,000 or more, in aggregate, per Organization. Therefore, only Organizations with inventory exceeding the \$500,000 threshold should record the amounts in GMEN.
- ▶ Highway/Grounds Materials **must be** inventoried and reported regardless of total value.

Supplies & Materials Inventory Form D-3

- ▶ Form D-3:
 - Record the date of physical inventory was completed
 - The GAAP Fund
 - The summary amount of the inventory

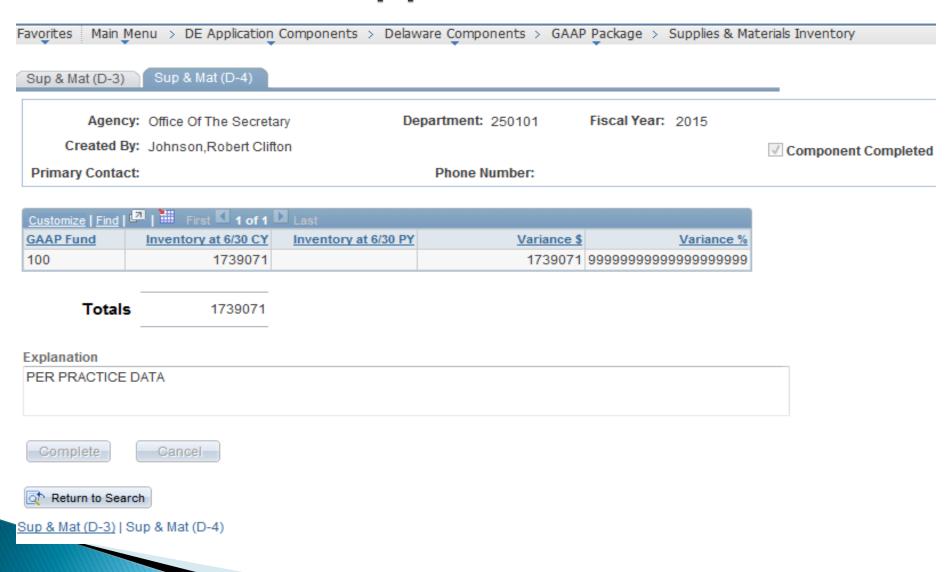
Materials & Supplies Form D-3



Supplies & Materials Inventory Form D-4

- Form D-4:
 - Summarizes the information from Form D-3, by fund.
 - If the prior year amount differs from the current year by 10% and \$100,000, briefly explain the reason for the variance in the comments section on Form D-4.

Materials & Supplies Form D-4



Section F

Lease Commitments



Lease Commitments

- ▶ What is a lease?
 - Legal contract by which one party gives to another the use and possession of real or personal property for a specified time in exchange for periodic payments.
- Report leases, if the total annual lease costs for each lease is greater than or equal to \$25,000 at June 30. A lease with a partial year expense, which begins or ends in the current fiscal year, with an annual cost of \$25,000 or more must be reported. (Leases do not have to be reported by fund report each lease for the total amount regardless of the fund charged for the expense.)

Lease Commitment (Continued)

- Review each lease and rental agreement to determine if it should be reported based on annual lease payment threshold.
- Prepare lease expense schedules for each lease that exceeds the threshold with the following detail:
 - Lease expense incurred in the current fiscal year
 - Lease expense to be incurred in each of the next five years by amount per fiscal year.
 - Lease expense to be incurred for each fiscal year beyond fiscal year five (fiscal year six to end of lease) and aggregate in 5 year increments.

Lease Commitments (Continued)

► Form F-2/F-3 is used to report each property and equipment lease individually.

Lease Form F-2/3

Favorites Main Menu > DE Application Components > Delaware Components > GAAP Package > Lease Commitments Leases (F-2/3) De Gaap Lse Sum Pg Department: 250101 Fiscal Year: 2015 Agency: Office Of The Secretary Not Applicable Created By: Johnson, Robert Clifton Completed Primary Contact: Phone Number: Find | View All First 1 of 2 Last Lessor Name CHRISTINE Lease ID Number 1 Description of Leased Item OFFICE SPACE Beginning Date of Lease 03/01/2007 Ending Date of Lease 06/30/2016 Lease Split Funded? Lease/Purchase Agreement? Property or Equipment? Property Scroll Area Find I View All First 1 of 1 Last Fund Code 100 Minimum Lease Expense CY 53571 Future Lease Expenses CY+1 39698 Future Lease Expenses CY+2 Future Lease Expenses CY+3 Future Lease Expenses CY+4 Future Lease Expenses CY+5 Future Lease Expenses CY+6-10 Future Lease Expenses CY+11-15 Future Lease Expenses CY+16-20 Future Lease Expenses CY+21-25 Future Lease Expenses CY+26-30 Remaining Future Lease Expense Total of All Future Lease Expenses 39698 Comments

Section G

Compensated Absences





Compensated Absences

- What are compensated absences?
 - Employee time off with pay, such as annual leave, sick leave, and holidays, for which an employer is obligated to pay the employee, since the benefits are part of the employees' compensation.
 - It does not encompass severance or termination pay, post retirement benefits or other long-term fringe benefits.
 - Note: Data will not be entered into GMEN. Either submit the G-3 & G-4 included in the Excel forms or submit your Organization prepared form that included comparable data.

Compensated Absences (Continued)

- Review employee personnel records, timesheets and contracts to determine compensated absences to be reported and determine the appropriate GAAP fund (work papers should show methods for allocating or assigning employees to funds).
- The compensated absence liability for an employee is based on the daily or hourly pay rate that is in effect at June 30. School districts should use an employee's daily pay rate.

Compensated Absences (Continued)

- The pay rate in effect at June 30 includes the following pay increases:
 - General pay increases that the General Assembly authorized to be paid on July 1.
 - Individual employees pay increases (such as merit or promotional increases) with June effective dates to be paid in July or later in the new fiscal year.

Annual Leave:

 Employees accrue annual leave for each month depending on the number of years they have been employed with the State.

If payroll is split funded, compensated absences must be split funded when reported.

Reference:

http://accounting.delaware.gov/manuals shtml

Compensated Absences (Continued)

Sick Leave

Employees accrue sick leave for each month at a rate of 9.5 hours (37.5 hour schedule) or 10 hour (40 hour schedule).

Please refer to: GAAP Reporting Package Manual found in:

http://accounting.delaware.gov/manuals.shtml

Section H - Projects Construction Work-in-Progress Computer Software in Process







Projects

- Construction Work In Progress (CWIP)
 - The cost associated with the construction of an asset that will be capitalized upon completion.

- Computer Software in Process (CSIP)
 - The costs associated with the purchase or application development phase of the software development that is in progress and will be capitalized upon completion.

Chapter 13 of the State's Budget and Accounting Manual provides detailed information on the requirements of tracking CWIP and CSIP

As projects progress, expenditures from all vendors involved in a project are accumulated in CWIP/CSIP

Projects (Continued)

- Report CWIP if the total anticipated cost of a project is \$100,000 or more, is not complete by 06/30 and meets the criteria to be capitalized at completion.
- Review all construction project to determine if construction work in progress needs to be reported based on the completed cost of the asset and determine the appropriate GAAP fund.

- Report CSIP if the costs associated with the application development phase is estimated to be \$1,000,000 or greater.
- Review all purchased or internally developed software to determine if computer software in process needs to be reported based on the completed cost of the asset and determine the appropriated GAAP fund.

Using the Project Costing Module is strongly encouraged to track expenditures associated with CWIP/CSIP

Review the State Budget and Accounting Policy Manual, Chapter 13, Section 13.10 for further requirements and costs that are included/excluded from CWIP/CSIP.

Projects (Continued) - CWIP

- Prepare Form H-3A by performing the following:
 - Report the proper GAAP Fund for each project
 - Report the project name (separate and identify by name, such as the building name, each project that will be capitalized as a separate asset).
 - The beginning value of CWIP will be carried over from the prior year. Please note that this amount is the ending balance as reported in your prior year GAAP reporting package. (Verify with the prior year GMEN balance)

Projects (Continued) - CWIP

- If the beginning value is incorrect, report the amount that is needed to correct the beginning value. Depending on whether the beginning value of CWIP needs to be increased or decreased, enter the amount as a positive or negative number.
- An explanation is required in the Explanation of Adjustments section of the form if an amount is reported in the adjustment column. A reconciliation showing why the amounts are different should be documented. Detailed records need to be kept to support any changes.

Projects (Continued) – CWIP

- Report the current year construction expenses (i.e. additions).
- Report the value of the completed project(s) (i.e. deletions).
 - This column represents projects that are considered substantially complete and ready for its intended purpose at June 30 and therefore should be deleted from CWIP. Enter the amount as a negative number.
- Ensure the ending value of CWIP at June 30 CY and the total are correct.

Construction Work-in-Progress Form H-3A

Agency: Office Of The Secretary

Created By: GMEN USER02

Primary Contact:

Main Menu > DE Application Components > Delaware Components > GAAP Package > Construction Work in Progress

Construction Work in Progress

Not Applicable

Component Completed

Phone Number:

Customize Fin	nd 🔼 🛗 First 🛚 1-3 of 3 🖸 Last						
GAAP Fund	Project Name	Beginning Value of CWIP (Balance at 6/30 PY)	Adjustments to Beginning Value of CWIP	Explanation of Adjustments	<u>Current Year</u> <u>Expenses (Additions)</u>	Value of Projects Completed (Deletions)	Ending Value of CWIP as of 6/30 CY
300	BUILDING A	159450			878578		1038028
300	BUILDING B	0			2433207		2433207
300	BUILDING C	1450165	-9701	DOA Review Adjustment	316866	-1757330	0

Totals 2021070



Projects (Continued) - CSIP

- Prepare Form H-3B, by GAAP fund, by performing the following:
 - Report the proper GAAP Fund for each project
 - Report the project name (separate and identify by name each project that will be capitalized as a separate asset)
 - The beginning value of CSIP will be carried over from the prior year. Please note that this amount is the ending balance as reported in your prior year GAAP reporting package. (Verify with the prior year GMEN balance)

Projects (Continued) – CSIP

- o If the beginning value is incorrect, report the amount needed to correct the beginning value. Depending on whether the beginning value of CSIP needs to be increased or decreased, enter the amount as a positive or negative number
- An explanation is required in the Explanation of Adjustments section of the form if an amount is reported in the adjustment column. A reconciliation showing why the amounts are different should be documented. Detailed records need to be kept to support any changes.
- Report the current year costs that can be capitalized associated with the software (i.e. additions)
- Do not include funds that have been encumbered and not yet expended.

Projects (Continued) - CSIP

- Report the value of the completed software project(s) (i.e. deletions)
 - This column represents projects that are considered substantially complete and ready for its intended purpose as of June 30 and therefore should be deleted from CSIP. Enter the amount as a negative number.
- Ensure the ending value of CSIP at June 30 CY and total are correct.

Computer Software in Progress Form H-3B

Favorites Main Menu > DE Application Comp	ponents > Delaware Components > GA	AAP Package > Con	nputer Software in Process	
CSIP (H-3B)				
Agency: Office Of The Secretary Created By: GMEN USER02	Department: 250101	Fiscal Year: 20	15 Not Applicable ☑ Component Completed	
Primary Contact:	Phone Number:			

Customize F	Find 🔎 🎹 First 🚺 1-2 of 2 🖸 Last						
GAAP Fund	Project Name	Beginning Value of CSIP (Balance at 6/30 PY)	Adjustments to Beginning Value of CSIP	Explanation of Adjustments	Current Year Expenses (Additions)	Value of Projects Completed (Deletions)	
225	PROJECT 2	0			6058162		6058162
100	PROJECT 3	240565	98993	DOA Review Adjustment	3120442	-3460000	0

Totals 6058162









Activity Summary Sections



Activity Summary – Section A

- The purpose of this section is to report the monies earned (your revenue) and the monies you spent (your expenses) outside of FSF. The objective in gathering this information is to report your Organization's financial activity outside of FSF for the fiscal year.
 - Please note that the only account activity to be reported in this section is for GAAP funds 100 through 845 for activity outside of FSF.
 - All changes in investments, receivables and payables from year to year are the result of revenues and expenses.

- Prepare Form A-12A, by GAAP fund, by performing the following:
 - Report the revenues received from charges for services
 - Report the revenues received from grants
 - Report earnings from interest received from bank or investment accounts
 - Add the 3 columns to determine the total revenues for the fiscal year
 - Report the total expenditures (Disbursements) made during the fiscal year

Activity Summary Form A-12A

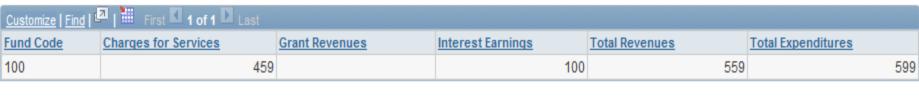
Act Smry A (A-12A)

Agency: Office Of The Secretary
Created By: Johnson,Robert Clifton

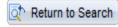
Primary Contact:

Phone Number:

NOTE: This form summarizes the monies earned (revenues) and the monies spent (expenses) outside of FSF, by GAAP fund (for GAAP Funds 100 through 845 only). Please be sure as to not report activity that has been processed through FSF.







Activity Summary - Section B

- The purpose of this section is to report the monies earned (your revenue) and the monies you spent (your expenses) outside of FSF. The objective in gathering this information is to report your Organization's financial activity outside of FSF for the fiscal year.
 - Complete this section for GAAP funds 855 through 890 activities only.
 - In preparation of Form A-12B, ensure that you are taking the sum of the amounts for Agency funds 855 through 890 only.
 The form is not prepared on an individual Agency fund basis.

- Prepare Form A-12B by performing the following for each Account Type (i.e. Cash and Equivalents; Investments; Accounts Receivable; and Accounts Payable; as follows:
- Review your prior year ending balance (this will be the beginning balance)

(Please note that the prior year information should be carried over from your prior year GAAP reporting package. Verify this information to GMEN).

- Report the total gross additions (receipts) collected for the current fiscal year for each "Account Type"
- Report the total gross deductions (disbursements) for the current fiscal year for each "Account Type"
- Verify the totals in the ending balance column and ensure the sum of the Cash and Cash Equivalents, Investments and Accounts Receivable equal the Accounts Payable.

- The ending balances on Form A-12B for:
 - Cash and Cash Equivalents should agree to the amount as reported on Form A-4/4B (Book Balances) for Agency funds 855 through 890.
 - Investments should agree to the amount as reported on Form A-6 (Market Value) for Agency funds 855 through 890.

- Accounts Receivable should agree to the sum of the following:
 - Total Net Receivables at 6/30/15 on Form B-3A/4C (Accounts Receivable) for agency funds 855 through 890.
- The current year ending balance for the Accounts Payable should agree to the sum of the current year ending balances of the following:
 - Cash and Cash Equivalents
 - Investments
 - Accounts Receivable

Activity Summary Form A-12B

Favorites Main Menu > DE Application Components > D	elaware Components > G	AAP Package > /	Activity Sumn	nary A12B	
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Act Smry B (A-12B)					
Agency: Office Of The Secretary	Department: 250101	Fiscal Year:	2015		
Agency. Office of the Secretary	Department 250 (0)	riscai rear.	2015	Not Applicable	
Created By: Johnson,Robert Clifton				Component Completed	
Primary Contact:	Phone Number:				
Filliary Contact	Filolic Mullingi.				

NOTE: This form summarizes the monies earned (revenues) and the monies spent (expenses) outside of FSF, by GAAP fund (for GAAP funds 855 through 890 only). In preparation of Form A-12B, ensure that you are taking the sum of the amounts for GAAP funds 855 through 890 only. In addition, do not report activity that has been processed through FSF. The form is not to be prepared on an individual GAAP fund basis.

Please ensure that this Summary page is in balance prior to completion of your GAAP reporting package.

Customize Find [2] Hill First 1-4 of 4 D Last				
Account Type	Beginning Balance (Balance at June 30, PY)	Total Additions	<u>Total Deductions</u>	Total Outstanding Balance
Cash and Cash Equivalents		39366	30827	8539
Investments		6611	1602	5009
Accounts Receivable				
Accounts Payable		45967	32419	13548



Return to Search

Summary of Financial Data





Summary of Financial Data

- The purpose of this section is to summarize your Organization's financial data as reported in your GAAP reporting package. The objective in gathering this information is to accurately present your financial data as of June 30, 2015.
- Review all of the summary pages used in the preparation of your GAAP reporting package
- For Cash and Cash Equivalent, it is the amount as indicated on Form A-4B Reconciled Book Balance

- For Investments, it is the amount as indicated on Form A-6 Market Value
- For Accounts Receivable, it is the amount as indicated on Form B-4A/4C Net Receivables
- For Accounts Payable Dir Claim & Other Pay for Sal, it is the amount as indicated on Form C-4A Against Direct Claim plus Overtime Earned,
 - Termination Pay Earned and Other
- For Accounts Payable Purchase Order, it is the amount as indicated on Form C- 4A Against **Purchase Order**

- For Inventory, it is the amount as indicated on Form D-4 Inventory
- For Construction Work in Progress, it is the amount as indicated on Form H-3A Ending Value of CWIP

- For Computer Software in Process, it is the amount as indicated on Form H-3B Ending Value of CSIP
- The Summary of Financial Data forms are automatically generated in GMEN, however your information as reported on the forms will need to be compared to GMEN for verification and accuracy of your data entry.

Agency: Office Of The Secret Initiated by: Johnson,Robert Clif		ear: 2015 Not Applicable Component Comple
rimary Contact:	Phone Number:	
	Find View All First 1 of 9 Last	
GAAP Fund 100		
Cash and Cash Equivalents	2658	
Investments		
Accounts Receivable		
Accounts Receivable Due From Other State Agencies or Funds		
Accounts Payable Direct Claim and Other Pay for Salaries	46037	
Accounts Payable Purchase Order		
Accounts Payable Due to Other State Agencies or Funds		
Inventory	1739071	
Grants Receivable		
Grant Advances		
Leases	104749	
Annual Leave		
Sick Leave		
Construction Work in Progress		
Computer Software in Process	6240884	

Complete

Agency: Office Of The Secretary	Department: 250101 Fiscal Year: 2015	■ Not Applicable
Initiated by: Johnson,Robert Clifton		Component Complete
rimary Contact:	Phone Number:	
	Find View All First 2 of 9 Last	
GAAP Fund 225		
Cash and Cash Equivalents	364442	
Investments		
Accounts Receivable	292742	
Accounts Receivable Due From Other State Agencies or Funds		
Accounts Payable Direct Claim and Other Pay for Salaries	357192	
Accounts Payable Purchase Order		
Accounts Payable Due to Other State Agencies or Funds		
Inventory		
Grants Receivable		
Grant Advances		
Leases		
Annual Leave		
Sick Leave		
Construction Work in Progress		
Computer Software in Process	6058162	

Complete

Agency: Office Of The Secreta		Fiscal Year: 2015	Not Applicable
Initiated by: Johnson,Robert Clift			Component Complet
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	<u>Find</u> <u>View All</u> First	Last	
SAAP Fund 300			
Cash and Cash Equivalents			
nvestments			
Accounts Receivable			
Accounts Receivable Due From Other State Agencies or Funds			
Accounts Payable Direct Claim and Other Pay for Salaries			
Accounts Payable Purchase Order			
Accounts Payable Due to Other State Agencies or Funds			
nventory			
Grants Receivable			
Grant Advances			
Leases			
Annual Leave			
Sick Leave			
Construction Work in Progress	5385981	1	
Computer Software in Process			

	on	Department: 250101	Fisca	Il Year: 2015	Not ApplicableComponent Complete
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		Find View All First 🚺 9	of 9 D Las		
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SAAP Fund 890					
Cash and Cash Equivalents			8539		
Investments			5009		
Accounts Receivable					
Accounts Receivable Due From Other State Agencies or Funds					
Accounts Payable Direct Claim and Other Pay for Salaries			7548		
Accounts Payable Purchase Order			6000		
Accounts Payable Due to Other State Agencies or Funds					
nventory					
Grants Receivable					
Grant Advances					
Leases					
Annual Leave					
Sick Leave					
Construction Work in Progress					
Computer Software in Process					

GAAP REPORTING PACKAGE CHECKLIST & ORGANIZATIONAL LETTER OF REPRESENTATION

Complete the GAAP Reporting Package Checklist (Appendix 1), sign, date and return to DOA along with the Organization Letter of Representation which will be sent in a DOA Memo in July 2015. Both must be returned upon the completion of your GAAP Package but not later than **August 14, 2015.**

GAAP Reporting Packages

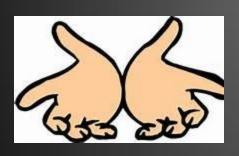
Data Entry and Submission Deadlines

- July 13, 2015
 - GMEN Opens for data entry
- July 20, 2015 (Section H Projects)
 - ✓ Form H–3A Construction in Progress
 - √ Form H–3B Computer Software in Process
- August 7, 2015
 - ✓ Form G-3,4 & 5 Compensated Absences (Excel Worksheets) or other comparable forms and all supporting documentation.
- August 14, 2015
 - ✓ GMEN Closed for data entry
 - ✓ GAAP Checklist
 - ✓ Organization Letter of Representation

Note: Submission of excel forms and supporting documentation is no longer required (except Compensated Absences) unless requested by DoA or the independent auditors.

Questions and/or Comments

What did you learn today???





Main Contacts Information

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Email:

Robert.CJohnson@state.de.us

Thank you!